

INSURANCE NEWS & NOTES

Published Every Wednesday in the Interest of the Insurance Men of Company

ARE RATES IN SOUTH SATISFACTORY NOW

F. H. McMASTER, INSURANCE COMMISSIONER DISCUSSES QUESTION

ANNUAL REPORT

Has Been Prepared for Meeting of State Legislature—Figures Given.

"Is south content to have fire insurance rates made as they have been made in the past?" is the question asked by F. H. McMaster, insurance commissioner in his annual report to the legislature.

He discusses the situation as follows:

Is South Carolina content to have fire insurance rates made as they have been made in the past?

The average man on the street thinks that the Southeastern Underwriters association makes the fire insurance rates for the state of South Carolina and his natural suspicion of trusts, and his enmity towards all forms of tyranny make him very belligerent towards the Southeastern Underwriters association when he thinks that an unjust rate has been charged him and he finds it apparently impossible to get any other rate.

In round figures there is about \$277,000,000 fire insurance written in South Carolina each year. Of this about \$170,000,000 is written at the rates fixed by the Southeastern Underwriters association, about \$110,000,000 of this going to companies which are members of the Southeastern Underwriters association and about \$60,000,000 going to companies which are not members of the S. E. U. A., but which write at the rates fixed by the S. E. U. A.

Of the \$107,000,000 written at other rates than those fixed by the S. E. U. A., about \$50,000,000 is written by the Factory Insurance association, about \$30,000,000 written by the factory and other foreign mutuals, about \$17,000,000 written by the domestic mutuals and about \$30,000,000 goes to unlicensed companies.

As is seen, \$170,000,000 is written at S. E. U. A. rates and \$107,000,000 at other and generally speaking very much less than S. E. U. A. rates. Of the 143 fire insurance companies of all classes licensed, 61 are members of the S. E. U. A. and 82 are not.

This statement would indicate that the S. E. U. A. is not in control of the situation by any means and this is true. But it is also true that the average man on the street must take the rate fixed by the S. E. U. A. or do without insurance, as a general rule.

An analysis of the insurance placed at rates other than those fixed by the S. E. U. A. will show this.

The \$30,000,000 insurance placed in the Factory Insurance association is at much less rates than those fixed by the S. E. U. A. On two risks in Columbia, identified in character, but the exposures making number eight preferable to number 1, the Factory Insurance association gave a rate of 10 cents on number 1, and the S. E. U. A. gave a rate of 20 cents, subsequently reduced after much agitation to 15 cents on Number 2. The Factory Insurance association would not give a rate on Number 2, though the F. I. A. is composed of 31 companies, 30 of which are members of the S. E. U. A.

One may say that it is a wheel within a wheel. As a matter of fact the F. I. A. is an association of stock companies formed to compete with the factory mutual insurance companies and of necessity it must take its rates approximately as low as the mutuals or it will not get the business. Therefore it fixes its expense of operation to meet the low cost of the mutuals. The F. I. A. pays 10 per cent commission to agents. The S. E. U. A. takes all classes. In the cases under consideration two cotton warehouses, one belongs to a company owning a large number and being in position to place the entire line elsewhere. The other warehouse is the only one of its owners. The F. I. A. would not rate it and the S. E. U. A. would not give a less rate than one-half more than the rate made by the F. I. A. on the other warehouses, though practically all of the members of the F. I. A. were members of the S. E. U. A.

So the individual citizen of small property finds no relief in the presence of the F. I. A.

Indeed, in those risks rated by the S. E. U. A. itself in competition with the factory mutuals no relief comes to the private citizen. For instance, the S. E. U. A. gives a rate of 40 cents for one year, \$1.20 for five years on the tenant houses of the Richmond Cotton mill, and on dwellings in the city of Columbia on paved streets with full fire protection it gives rates of 50 cents for one year and \$1.50 for five years.

So from the \$20,000,000 or more written in the F. I. A. and the factory mutuals the private citizen gets no relief from whatever rate is charged by the S. E. U. A.

There are a few mutuals for druggists, hardware dealers, furniture

dealers and laundries, but these all carry limited lines and while they cause savings to their patrons, they are in no sense competitors with the S. E. U. A.

The same is true of the \$17,000,000 carried in domestic mutuals, which operate in about twelve counties of the state. They work great savings to their members and in thousands of instances give the only insurance carried, but they do not affect the rates made by the S. E. U. A.

The insurance placed in unlicensed companies is that of citizens who control large lines, and while they secure great reductions in rates, so far as the general public is concerned this process provides no relief from the rates made and provided by the S. E. U. A.

Illustrations have been given of the differences in rates made by the S. E. U. A. itself where it comes in competition with the factory mutuals, and between the S. E. U. A. and the F. I. A., the latter association being composed of a number of the same companies composing the S. E. U. A.

Just as marked differences are to be seen in the S. E. U. A. rates and those given by unlicensed companies. A few of these that have come under the notice of the department are:

S. E. U. A. for 3 years, \$1.50 unlicensed companies 90 cents.

S. E. U. A. rate, \$2.75; unlicensed companies \$1.00.

S. E. U. A. rate for 3 years; unlicensed companies \$2.00.

S. E. U. A. rate for 3 years \$4.63; unlicensed companies \$3.00.

S. E. U. A. rate \$1.10; unlicensed companies 60 cents.

S. E. U. A. rate \$.60; unlicensed companies 30 cents.

The instances might be multiplied.

The variations are too great to be founded on good reason. There is something radically wrong in rates or classifications or practices or methods, and as the laws now stand the rates, the classifications the practices and the methods are entirely in the keeping of the companies.

It is all beside the mark to say that reduction in fire losses will solve the matter. That has nothing to do with the case. Fire losses fell on the F. I. A. the Factory Mutuals, the domestic mutuals the unlicensed companies as well as the S. E. U. A.

It is the case the department makes up.

There are several methods of solution. One is an enlargement of the sphere of the mutuals and thereby the bringing about forcing of rates by competition and management costs.

Another frequently tried by with doubtful success is the forcing of all combinations of companies and agreements as to rates.

A third is absolute domination of rate making power of the state.

The department believes in careful supervision of the mutuals but such treatment as will permit their growth in safety and in a modified control over the rate making agencies of the companies as will prevent discrimination and the imposition of unreasonably unreasonable rates.

PLAN TO PAY THE PREMIUM

Here is a Plan That Shows How a Man Can Buy a \$1,000 F. I. A. for a single payment of \$3.75 and the Scraps from the Table.

The average premium would be \$30 per thousand per year. This figure for one thousand. Take 365 days in the year and average cost of about \$1.2 cents per day. The cheapest man on earth can afford to pay that.

A man can buy six hens and a rooster and keep up a thousand dollar's worth of insurance from the sale of the eggs yearly. Every man has space enough to raise six hens and a rooster. The average hen lays every other day. With 365 days in the year this would be 182 eggs a year or 91 dozen eggs.

The average price per dozen is 35 cents. Ninety-one dozen would bring \$31.85 thereby paying to a cheap skater \$1.85 more than his insurance would cost. The average hen is worth 50 cents, then six hens at 50 cents each amount to \$3.00; the rooster 75 cents, making the insurance really cost the man \$3.75 per thousand for life insurance.

The man who says he cannot do this is either the biggest liar in the world or the stupidest husband and the meanest father that ever had a wife and children to bless his home, and in my opinion the man who would refuse to buy an additional thousand dollars' worth of insurance when he is only carrying a small amount, just simply does not care anything for his family.

There is no trouble, Abe, to sell insurance. From a letter to one of his solicitors by H. F. Vandiver in "Eastern Underwriter."

New York Method of Disinfecting.

It is still a general belief that fumigation is the most effective agency in destroying germs and preventing the spread of infectious diseases, but recent investigations by New York health authorities reveal a better way.

Hereafter residences which have housed patients afflicted with infectious diseases will be taken in charge by the authorities and placed under direction of nurses and others of special training. The premises will be thoroughly cleaned and disinfected, the rooms papered and painted, every door and window opened in order that the sun may assist in the disinfection. "Dayton (O) Herald" in "The Editor."

Too Vigorous Exercise Condemned.

Doctors and surgeons who have given special study at athletics, conclude that the average man can play baseball, tennis and basketball with safety until he is forty. After that age these games become a little dangerous, even to the man in good physical condition. At forty-five, golf, croquet, tennis, volleyball and medicine ball are safer pastimes. The United States public health service discourages some of the more violent forms of sport even for young men. It declares that "champion athletic die young." "Boston Herald" in "Rough Notes."

The Metropolitan Life is sending out pamphlets for its policyholders on "Hookworm Disease and How to Prevent It," "Malaria: Its Cause and How to Prevent It" and "Standards in Vetting Nurse Work." "Insurance Press."

Putting Insurance Before the Public

THEY NEED TO BE TOLD ABOUT IT IN UNDERSTANDABLE WAY

WHAT IT MEANS

It is Men Plus Organized Savings and Mathematics of Experience Translated.

Life insurance has never been properly put before the public in a plain, understandable way, either through its representatives or by advertising.

The public knows little about life insurance; and insurance salesmen know too much about rates, features, policies, laws, regulations and policy differences, from the insurance standpoint.

Life insurance is men, plus organized savings and mathematics of experience translated into human life values.

Here's a thought that comes to my mind. If 100 average men 30 years of age, with families, were locked in a room and were going to draw lots for one man to be killed before the end of the year, and if they had an opportunity of taking out insurance policies before that drawing, would they do it or would they say, "Let my wife and children take the chance?"

The man who is making \$10,000 a year has the same interest earning capacity as \$200,000 at 5 per cent and yet he probably values his interest earning capacity sufficiently to carry only \$10,000 insurance.

Actuaries figure out how long a man should live. That is insurance, but we know men do not act on actuarial tables—they only act by them.

Put this where you won't forget it—every man knows that he wants life insurance.

INSURANCE IS A GOOD COLLATERAL

During the financial stringency beginning in October, 1907, business men were solely tried. One firm of manufacturers in Philadelphia faced insolvency, for it was impossible to borrow upon the best collaterals, and even government bonds were refused. After many weary days and sleepless nights, one of the firm, in handling some papers in his safe caught sight of his life insurance policy, upon which he had paid premiums for years, but whose existence had almost been forgotten. Opening it mechanically, he was astonished to find that the loan value stipulated therein was a very substantial part of the total premiums he had paid to the company. Calling his associates, they examined the policies carried by the various members of the firm, and were gratified to find that they could command from the insurance companies a sum of ready cash quite equal to their present urgent requirements. Partnership policies are often used as collateral for amounts much larger than the immediate cash values offered by the insurance companies that issued them.

Let it be recorded here as a matter of history, that during the recent financial stringency, beginning in 1907, when it was almost impossible to borrow from banks upon any collaterals, no matter how good in ordinary times, the life insurance companies opened their treasuries and loaned to policyholders many millions upon no other security than their policies.

BRADSTREET'S ESTIMATE

A firm of lumber dealers had not been trading long enough to fully establish their reputation and credit. The insurance solicitor suggested to them that a policy of business insurance, covering all the members of the firm, and payable upon the death of any one, would enhance the firm's commercial rating. Without suggestion from the agent, the senior member of the firm opened his telephone and called Bradstreet's manager, and told him that they were considering a proposition of insurance for the safeguarding of their business, and that one argument of the insurance agent was an enhancement of the firm's commercial rating. The manager replied: "Bradstreet's considers business insurance in its estimate of credit, and the possession of such insurance always improves our ratings." He then inquired "By the way, what amount are you contemplating?" When informed that \$50,000 was the limit, the manager's reply was, "That is not enough for your firm. You should have at least \$100,000."

The dealer closed his telephone, and turning to the agent said, "We will make the amount \$100,000 instead of \$50,000. We regard the experience and estimate of Bradstreet's too valuable to be ignored."

Bradstreet's president has said (in reference to carrying partnership and corporation insurance) "It is practically beyond debate that such action strengthens the credit of firms adopting it. The increased confidence which it establishes is recognized in the mercantile community, and thus reflected through our reports."

A few locals

What Local Insurance Agents Have Been Doing During Week.

Mr. R. H. Ferguson, state agent for the Prudential Life Insurance company, was a business visitor in the city on Thursday and Friday of last week. He stated that he had never seen business better.

Mr. W. A. Hantke, state manager of the Metropolitan war office in Columbia, spent a few days in Anderson last week. He also stated that business over entire state was good.

Mr. W. M. Addison, local agent for the Metropolitan, is in Columbia on business.

Mr. J. Walter Dixon, local agent for the Pacific Mutual, spent last week in Gaffney, Spartanburg, York and Greenville on business.

Deaths From Dust.

Factories that produce articles by processes causing dust ravage the health of workers. Thirty-eight per cent of button makers that die at their trade succumb to tuberculosis; tobacco workers, 38 per cent; candy makers, 22 per cent; tanners, 18 per cent; harness makers, 17 per cent; glove makers, 18 per cent; shoemakers, 18 per cent; millers, 15 per cent; bakers, 30 per cent; grain handlers, 28 per cent. "Insurance Press."

Service Versus Price.

"You said the specialist, 'I can cure you.'"

"What will it cost?" asked the sick man faintly.

"Ninety-five dollars."

"You'll have to shade your price a little," still more faintly. "I have got a better bid than that from the undertaker." "McClary's Wireless."

A Wise Husband.

Mrs. Jackson—"You lazy nigger! Spose I was took sick and couldn't do washings, how would you live?"

Mr. Jackson—"Ah, never thought of dat, honey. Ah'll hustle round to-morrow and git some health insurance on you." "Federal Life."

INSURANCE COMPANY WILL MOVE OFFICES

MUTUAL LIFE WILL GO INTO SECTION OF BROWN BUILDING

BANK TO CHANGE

New Quarters Just Across Hall Are About Completed—Will Be Handsome Quarters.

The Dime Savings bank will within a few days move into its new quarters just across the hall from its present location in the Brown building on North Main street and as soon as the change is made, work of remodeling their old stand will begin. When finished this side will be occupied by the Mutual Life Insurance company's offices which are at the present located in the Bleckley building.

The Dime Savings Bank's new quarters are going to be as neat and up-to-date as that of any bank in the city, and their fixtures are to be very modern. The contractors are now busy finishing the partitions, putting in the wicket inclosures, etc. There will be plenty of room at the front at the teller's window, and there will also be one or two more little wicket windows farther down the hall. Right in the rear of this side will be located the bank's private offices. In addition to their new vault, the bank has a large new safe which will be located near the window.

The other side of the hall, or where the bank is now located, will be remodeled so that it will be somewhat like the left hand side, and will be equipped with several offices, a store room, etc. At the front will be the agents' offices, next regular business office and in the rear Mr. Mattison's private office.

Work on this section will begin within a few days. Casey and Fant of this city are the architects.

MR. HARRIS LEADS

Highly Complimentary Letter is Received From Manager.

Columbia, S. C., Dec. 3, 1915. Mr. Calhoun Harris, Anderson, S. C.

Dear Harris:

I wish to express my appreciation of the fine volume of paid-for business which you furnished for this agency during November. The final report for the month shows that you led all other agents in amount of paid-for business and this is a splendid record for you to make.

I am sending you today a complete statement of business produced in Morgan Month by all agencies and I feel sure same will be of interest.

Thanking you and with kind personal regards, I am,

Yours very truly,

(Signed) F. H. Hyatt, Manager.

The fire bell rang. It was his neighbor's house. "Mary," he said, "I'm glad our house is insured."

The door bell rang. It was the family doctor. "Mary," he said, "I wish my life was insured."—Cleveland Life Co-Worker.

THE ONLY PLANT CO., Meggette, S. C.

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Have a Care for the Future!

A Striking Endorsement of Life Insurance As A Safe, Practical Way to Store Up for the Future.

By U. S. Senator Oscar W. Underwood

IT has been said that the wise man does not live in the past, for the past cannot be mended; that he does not live in the future because the future is uncharted land, but that he lives in the present and makes the most of the day and the hour he has with him.

This is probably the best way for men to get the best results from each day they live, both so far as their productive capacity and their happiness is concerned, but we cannot forget the future entirely. Every day we march on to old age and incapacity. Every day we face the dangers and accidents of life. Every day we approach nearer the hour when our mentality will lose the keenness of its edge and our physical forces will begin to fail. The wise man, therefore, who lives in the hour that is with him will have some thought for the future and store up a surplus for the days to come.

There are many ways in which a man can conserve his surplus energies for future use. The product of his toil may be buried in the ground by the miser, invested in land by the farmer, or in stocks and bonds by the business man, but to make a good investment requires accurate information and good business judgment. These qualities are not possessed by all. For the average man, who is not fortunate in having a thorough knowledge of business affairs, a life insurance policy in a good company is a safe, practical way to store up his surplus energies for the protection of his old age and the benefit of his family after he is gone.

Write for our leaflet, "A Serene and Care-Free Old Age."

The Mutual Benefit Life Insurance Co.

M. M. MATTISON, GENERAL AGENT

C. W. Webb, District Agent

J. J. Trowbridge,

C. E. Tribble,

W. R. Osborne,

Special Agents,

Anderson, S. C.

Bleckley Building.

If Insurance Taxes Were Direct.

Income taxes are direct in their effect upon the payer, and this probably accounts for the strong opposition displayed by those who are affected by the federal law. "If those who are now paying the insurance tax indirectly were brought face to face with the facts by a change to direct taxation the demand for repeal or reduction would be almost universal."—Insurance Herald-Examiner (Nov. 4-33.)

"CABBAGE PLANTS"

We have now ten million cabbage plants on hand ready for shipment. Our plants are grown close to the Sea Coast. In the open air, and our seed are grown by the very best seedsmen on Long Island, N. Y.

We have the following varieties: "THE EARLY JERSEY WAKEFIELD," "THE CHARLESTON WAKEFIELD," "THE SUCCESSION" and "FLAT DUTCH."

Our prices are: In lots from 1 to 5 thousand \$1.00 per thousand, 5 thousand and over 75cts. per thousand F. O. B. here cash with order. We will make you a special price on larger orders.

Give us your order, and we will ship you plants that will give you the very best results. Yours very truly,

THE ONLY PLANT CO., Meggette, S. C.

Upon which side of the Parallel will the Memory of You Rest?

These cases are facts, not fiction. This history is repeated every day. Act now—don't stop to think it over.

Leesville, S. C., June 22, 1915.

"Atlantic Life Insurance Co.,

Richmond, Va.

"Gentlemen:

"Please accept my gratitude and heartfelt thanks for your check of \$2,000 in settlement for insurance on my husband, W. P. Yarbrough, whose death recently occurred.

"He had only been insured a few weeks before he was taken sick, so it seems to have been providential.

"Being left with small children, this insurance will be a great help and comfort in our time of need. I shall always speak highly of the Atlantic Life Insurance Company. I greatly appreciate your promptness and shall always hold your Managers, Agents, etc., in the highest esteem.

"Very truly yours,

"MRS. ROSA L. YARBROUGH."

"Red Oak, Va., July 10, 1915.

"Mr. Fisher:

"Just a few lines to let you hear from me. I do hope this may find you well. I am living and that is all I can say. I do suffer awful, and sometimes I think I will be glad when the Lord calls me home, but Mr. Fisher, I have one request to make of you, who have been so kind to me, if you do not think it too much for me to ask.

"I feel like my time is short on this earth. I have not a penny to help pay my burial expenses and I do worry so much to think that my poor wife and children could not raise it to save their lives. My mind would rest easy if I but knew that my funeral expenses could be paid. I have had a great deal of sickness in my family this winter and spring, and my finances are in a bad fix for me to die and leave my wife and children behind. But you know best what to do for me.